



[3410-11-P]

U.S. DEPARTMENT OF AGRICULTURE

U.S. Forest Service

Request for Proposals: 2013 Hazardous Fuels Woody Biomass Utilization Grant Program

AGENCY: U.S. Forest Service

ACTION: Request for Proposals

SUMMARY: The Department of Agriculture (USDA), Forest Service, State and Private Forestry (S&PF), Technology Marketing Unit, located at the Forest Products Laboratory, requests proposals for wood energy projects that require engineering services. These projects will use woody biomass, such as material removed from forest restoration activities, wildfire hazardous fuel treatments, insect and disease mitigation, forest management due to catastrophic weather events, and/or thinning overstocked stands. The woody biomass shall be used in a bioenergy facility that uses commercially proven technologies to produce thermal, electrical or liquid/gaseous bioenergy. The funds from the Hazardous Fuels Woody Biomass Utilization Grant program (WBU) must be used to further the planning of such facilities by funding the engineering services necessary for final design and cost analysis. Examples of projects might include engineering design of a woody biomass boiler for steam at a sawmill, hospital or school; non-pressurized hot water system for various applications; and biomass power generation facility. To join in support of the public interest and general welfare, to protect communities and critical infrastructure, the applicants applying to this program seek assistance to complete the necessary engineering design work required to secure public and/or private funding for construction for developing local enterprises to better utilize woody biomass. An example of public

funding is the USDA Rural Development grants and loan programs that might help fund construction of such facilities. The lack of a professional engineering design often limits the ability of an applicant or business to secure Federal, State or private funding.

DATES: Monday, April 8, 2013, Application Deadline.

ADDRESSES: All applications must be sent to the respective Forest Service Regional Office listed below for initial review. These offices will be the point of contact for final awards.

Forest Service Region 1 (MT, ND, Northern ID & North-western SD) ATT: Angela Farr USDA Forest Service Northern Region (R1) Federal Building 200 East Broadway Missoula, MT 59807 afarr@fs.fed.us (406) 329-3521	Forest Service Region 2 (CO, KS, NE, SD, & WY) ATT: Sherry Hazelhurst USDA Forest Service Rocky Mountain Region (R2) 740 Simms St Golden, CO 80401-4702 shazelhurst@fs.fed.us (303) 275-5750
Forest Service Region 3 (AZ & NM) ATT: Dennis Dwyer USDA Forest Service Southwestern Region (R3) 333 Broadway Blvd, SE Albuquerque, NM 87102 ddwyer@fs.fed.us (505) 842-3480	Forest Service Region 4 (Southern ID, NV, UT, & Western WY) ATT: Scott Bell USDA Forest Service Intermountain Region (R4) Federal Building 324 25th St Ogden, UT 84401 sbell@fs.fed.us (801) 625-5259
Forest Service Region 5 (CA, HI, Guam and Trust Territories of the Pacific Islands) ATT: Larry Swan USDA Forest Service Pacific Southwest Region (R5) 1323 Club Drive Vallejo, CA 95492-1110 lswan01@fs.fed.us	Forest Service Region 6 (OR & WA) ATT: Ron Saranich USDA Forest Service Pacific Northwest Region (R6) 333 SW 1st Ave Portland, OR 97204 rsaranich@fs.fed.us (503) 808-2346

(707) 562-8917	
Forest Service Region 8 (AL, AR, FL, GA, KY, LA, MS, NC, OK, SC, TN, TX, VA, Virgin Islands & Puerto Rico) ATT: Dan Len USDA Forest Service Southern Region (R8) 1720 Peachtree Rd NW Atlanta, GA 30309 dlen@fs.fed.us (404) 347-4034	Forest Service Region 9 (CT, DL, IL, IN, IA, ME, MD, MA, MI, MN, MO, NH, NJ, NY, OH, PA, RI, VT, WV, WI) ATT: Lew McCreery Northeastern Area – S&PF 180 Canfield St Morgantown, WV 26505 lmccreery@fs.fed.us (304) 285-1538
Forest Service Region 10 (Alaska) ATT: Daniel Parrent USDA Forest Service Alaska Region (R10) 161 East 1st Avenue, Door 8 Anchorage, AK 99501 djparrent@fs.fed.us (907) 743-9467	

Detailed information regarding what to include in the application, definitions of terms, eligibility, and necessary prerequisites for consideration is available at www.fpl.fs.fed.us/tmu and at www.grants.gov. Paper copies of the information are also available by contacting the Forest Service, S&PF Technology Marketing Unit, One Gifford Pinchot Drive, Madison, Wisconsin 53726-2398, 608-231-9504.

FOR FURTHER INFORMATION CONTACT: For questions regarding the grant application or administrative regulations, contact your appropriate Forest Service Regional Biomass Coordinator as listed in the addresses above or contact the Technology Marketing Unit, Madison, WI, (608) 231-9504, dtucker@fs.fed.us. Individuals who use telecommunication devices for the deaf (TDD) may call the Federal Relay Service (FRS) at 1-800-877-8339 twenty-four hours a day, every day of the year, including holidays.

SUPPLEMENTARY INFORMATION: To address the goals of Public Law 110-234, *Food, Conservation, and Energy Act of 2008*, *Rural Revitalization Technologies (7 U.S.C. 6601)*, and the anticipated *Department of the Interior, Environment and Related Agencies Appropriation Act of 2013*, the Agency is requesting proposals to address the nationwide challenge of using low-value woody biomass material to create renewable energy and protect communities and critical infrastructure from wildfires.

Goals of the grant program are to:

- Promote projects that target and help remove economic and market barriers to using woody biomass for renewable energy.
- Assist projects that produce renewable energy from woody biomass while protecting the public interest.
- Reduce the public's cost for forest restoration by increasing the value of biomass and other forest products generated from hazardous fuels reduction and forest health activities on forested lands.
- Create incentives and/or encourage business investment that uses woody biomass from our nation's forestlands for renewable energy projects.

Grant requirements:

1. Eligibility Information

a. Eligible Applicants. Eligible applicants are businesses, companies, corporations, state, local and tribal governments, school districts, communities, non-profit organizations, or special purpose districts (*e.g.*, public utilities districts, fire districts, conservation districts, or ports).

Only one application per business or organization shall be accepted.

b. Cost Sharing (Matching Requirement). Applicants shall demonstrate at least a 20% match of the total project cost. This match shall be from non-federal sources, which can include cash or in-kind contributions.

c. DUNS Number. All applicants shall include a Dun and Bradstreet, Data Universal Numbering System (DUNS) number in their application. For this requirement, the applicant is the entity that meets the eligibility criteria and has the legal authority to apply for and receive a WBU grant. For assistance in obtaining a DUNS number at no cost, call the DUNS number request line (1-866-705-5711) or register on-line at <http://fedgov.dnb.com/webform>.

d. System for Award Management (SAM). The applicant should be aware that prospective awardees shall be registered in the SAM database prior to award, during performance, and through final payment of any grant resulting from this solicitation. Further information can be found at www.sam.gov. For assistance, contact the SAM Assistance Center (1-866-606-8220).

2. Award Information

Total funding anticipated for awards is about \$3.0 million for the 2013 WBU program. Individual grants cannot exceed \$250,000. The Federal government's obligation under this program is contingent upon the availability of 2013 appropriated funds. No legal liability on the part of the Government shall be incurred until appropriated funds are available and committed in writing through a grant award letter issued by the grant officer to the applicant. Grants can be for two years from the date of award. Written annual financial performance reports and semi-annual project performance reports are required and shall be submitted to the appropriate grant officer. A grant awarded under this program will generate an IRS Form 1099 Miscellaneous Income that will be filed with the Internal Revenue Service (IRS) and provided to the awardee. However, the USDA expresses no opinion on the taxability, if any, of the grant funds awarded.

Awardees are expected to follow all Occupational Safety and Health Administration (OSHA) requirements regarding safe working practices and all applicable Federal, State and local regulations pertinent to the proposed project.

3. Application Prerequisites

This grant program requires that projects have had considerable advance work completed prior to submitting a grant application. Only applicants that have already completed and submitted with their applications: (a) a Comprehensive Feasibility Assessment of the project by qualified and credible parties, (b) a Woody Biomass Resource Supply Assessment and, (c) past three years of financial statements (balance sheets, income statements and cash flow analysis) shall be considered. Corporate annual reports will not be accepted as evidence of due diligence for a business. In addition, for-profit applicants, as well as non-profit organizations should have a Dun and Bradstreet rating that falls within the following categories:

(1) Financial stress rating should be 1, 2 or 3;

(2) Credit score should be 1, 2 or 3; and

(3) Paydex score should be between 60 and 100, (0 being the lowest and 100 the highest).

For state, local and tribal governments and other governmental entities (school districts), appropriate sector ratings from Moody's should be in the range from Aaa to A. Entities with Municipal Bond rating Baa to Ba will be considered with reservations. Entities with Municipal Bond Ratings between B and C (including B, Caa, Ca, and C) will not qualify. The two assessments and three years of financial statements shall be included with the submission. The Dun and Bradstreet and Moody's financial ratings will be obtained by the Technology Marketing Unit for the review process as evidence of the financial capability of the applicant. Applicants will not be

charged for the Dun and Bradstreet or Moody's reports. All financial information is kept confidential.

a. The Comprehensive Feasibility Assessment shall address, at minimum, the following items:

- Economic feasibility analysis of site, labor force wages and availability, utilities, access and transportation systems, raw material feedstock needs, and overall economic impact, including job creation and retention, displayed by employment associated with operating the facility itself and supplying the facility (jobs created and jobs retained on a full-time equivalent basis). Also required in the economic analysis is a market feasibility study, including analysis of the market(s) for the power, heat, fuel, or other energy product produced, market area, marketing plans for projected output, if needed, extent of competition for the particular target market(s), extent of competition for supply and delivered costs and general characterization of supply availability (more detailed information is provided in the Woody Biomass Resource Supply Assessment section).
- Technical feasibility analysis shall include an assessment of the recommended renewable energy technology, what other technologies were considered, why the recommended renewable energy technology was chosen, assessment of site suitability given the recommended renewable energy technology, actions and costs necessary to mitigate environmental impacts sufficient to meet regulatory requirements, developmental costs, capital investment costs, operational costs, projected income, estimated accuracy of these costs and income projections, realistic sensitivity analysis with clear and explicit assumptions, and identification of project constraints or limitations.
- Financial feasibility analysis shall include projected income and cash flow for at least 36 months, description of cost accounting system, availability of short-term credit for

operational phase, and *pro forma* financial statement with clear and explicit assumptions.

- List of personnel and teams undertaking project development, implementation and operations, including a clear description of how continuity between project phases will be maintained. Describe the qualification of each team member including education and management experience with the same or similar projects, and how recently this experience occurred.

b. The Woody Biomass Resource Supply Assessment shall provide a description of the available woody biomass resource supply. At a minimum the assessment should address the following items:

- Feedstock location and procurement area relative to the project site;
- Types of biomass fuel available and realistic pricing information based on fuel specifications required by the technology chosen, including explicit break-out of forest-sourced, agricultural-sourced and urban-sourced biomass.
- Volume potentially available by ownership, fuel type and source of biomass supply, considering recovery rates and other factors, such as Federal, State and local policy and management practices;
- Volume realistically and economically available by ownership, fuel type and source of biomass supply, considering recovery rates and other factors, such as Federal, State and local policy and management practices;
- Detailed risk assessment of future biomass fuel supply including, but not limited to, impacts of potential Federal, State and local policy changes, availability of additional fuel types, increased competition for biomass resource supply and changes in transportation costs;

- Summary of total fuel realistically and economically available compared to projected annual fuel use (i.e., a ratio usually exceeding 2.0: 1); and
- Minimum five-year biomass fuel pricing forecast for material or blend of material meeting fuel specifications delivered to project site (required for financial *pro forma*).

c. Financial Statements: All applicants shall submit the last three years of historical financial statements (balance sheets, income statements, and cash flow analysis).

4. *Application Evaluation*

Applications are evaluated against criteria discussed in Section 5. All applications shall be screened to ensure compliance with the administrative requirements as set forth in this Request for Proposals (RFP). Applicants not following the directions for submission shall be disqualified without appeal. Directions can be found at www.fpl.fs.fed.us/tmu under 2013 Woody Biomass Utilization Grant Program. The appropriate Forest Service region shall provide a preliminary review based on grant administrative requirements and regional priorities of environmental, social, and economic impacts. Each region may submit up to seven proposals for the nationwide competition. The nationwide competition will consist of a technical and financial review of the proposed project by Federal experts from different federal agencies, experienced in energy systems, financing projects, and/or forestry. Panel reviewers will independently evaluate each proposed project for technical and financial merit and assign a score using the criteria listed in Section 5. Technical and financial merits, along with the regional priorities, will be submitted to the Forest Service national leadership for final selection and announcement.

5. Evaluation Criteria and Point System

If a reviewer determines that a proposal meets basic requirements for a criterion, half the number of available points will be awarded. More points can be earned if the reviewer determines that a proposal exceeds the basic criteria and fewer if a proposal falls short of the basic criteria. A maximum of 225 total points can be earned by a proposal.

Criteria:

a. Required Comprehensive Feasibility Assessment is thorough and complete, conducted by a qualified and experienced professional team; and project is economically viable using relevant and accepted financial metrics. Total Points 30

b. Required Woody Biomass Resource Supply Assessment conforms to professional standards for size and complexity of proposed facility, is suitable for appropriate lender or public financing review; and projected biomass quantity and sourcing arrangements from forested land management activities are clearly identified on an annual basis. Total Points 30

c. Number of projected jobs created and/or retained (direct or indirect) when project goes in service is reasonable and substantiated. Total Points 15

d. Amount and type of fossil fuel offset in therms/year and increased system fuel use efficiency (in percentage) once project is operational. Annualized fuel use efficiency for average annual system conditions is calculated as follows: Fuel Use efficiency = (Net BTUs used by processes + BTUs of electricity produced by generator) divided by (BTUs of inputted fuel to boiler (HHV)). Project provides impact in geographic area appropriate for size of projected facility and is reasonable and substantiated. (Note: 1 therm = 100,000 BTUs). Examples of typical energy efficiencies include: 1) electricity only = 25%, 2) electricity plus low pressure steam for dry kilns = 45%; and 3) boiler processes that use backpressure turbine ahead of

process = 65%. All calculations shall be shown. (See www.fpl.fs.fed.us/tmu under Woody Biomass Grant program for Btu content of wood at various moisture contents.) Total Points 30

e. Documentation of collaborations and qualifications necessary for the development and operation of the proposed facility, including roles and directly relevant qualifications of Development, Engineering, Management, Construction, and Operations Teams or similar, are adequate and appropriate for project. Total Points 30

f. Proposed engineering design components reflect accepted professional standards for type and complexity of proposed facility and are complete. Total Points 20

g. Financial plan and sources of funding are described in detail for all phases of the project, including, but not limited to, development, construction and operations. Total Points 30

h. Detailed description of federal, state and local environmental, health and safety regulatory and permitting requirements, and realistic projected timeline for completion are provided. Total Points 30

i. Description of outreach efforts to maximize dissemination of project results and pass on lessons learned. Total Points 10

6. Application Information

a. Application Submission. Applications shall be time stamped showing the time of sending by United States Postal Service or other commercial delivery company no later than midnight Monday, April 8, 2013. NO EXCEPTIONS. If submitted through *grants.gov*, the date submitted shall be by midnight Monday, April 8, 2013. One paper copy and an electronic version shall be submitted to the Regional Biomass Coordinator of your Forest Service region, as listed previously in the ADDRESSES section even if submitted through *grants.gov*. Your Forest Service region is generally determined by the state in which the bioenergy facility is

located. However, in a few instances, two Forest Service regions may exist in one state. Forest Service regions can be located at <http://www.fs.fed.us/maps/products/guide-national-forests09.pdf>. The electronic version submitted to the Regional Biomass Coordinator should be a single pdf file on a USB flash drive or compact disc (CD). No emails shall be accepted. Applications may also be submitted electronically through www.grants.gov.

b. Application Format and Content. Each submittal should be in PDF format. The application template form FPL-1500-4 is in word format and is recommended to be used. After completing the template, the document should be saved as a PDF format either using Adobe Acrobat or Word software. The template form FPL-1500-4 along with directions for completing can be found at the www.fpl.fs.fed.us/tmu. Paper copy shall be single sided on 8.5- by 11-inch plain white paper only (no colored paper, over-sized paper, or special covers). Do not staple. All forms and application template can be found at www.fpl.fs.fed.us/tmu 2013 Hazardous Fuels Woody Biomass Utilization Grant Program.

Outline of form FPL-1500-4 and mandatory appendices

(1) Project Summary Sheet

(2) Title Page

(3) Project Narrative

The project narrative shall provide a clear description of the work to be performed, impact on removing woody biomass and creating renewal energy (e.g., tons of biomass removed that would have otherwise been burned, cost savings to landowners, source of biomass removed from forested areas, broken-out by ownership), and how jobs will be created and/or retained, and sustained. Application narrative should address the 15 discussion areas listed on the form FPL-1500-4.

(4) Budget Summary Justification in Support of SF 424A.

(5) Qualifications and Summary Portfolio of Engineering Services

For the engineering systems, the project usually consists of a system designer, project manager, equipment supplier, project engineer, construction contractor or system installer and a system operator and maintainer. One individual or entity may serve more than one role. The project team must have demonstrated expertise in similar bioenergy systems development, engineering, installation, and maintenance. Authoritative evidence that project team service providers have the necessary professional credentials or relevant experience to perform the required services must be provided. Authoritative evidence that vendors of proprietary components can provide necessary equipment and spare parts for the system to operate over its design life must also be provided. A list of the same or similar projects designed, installed and currently operating with references shall be provided along with appropriate contacts.

(6) Community Benefit Statement.

Provide a one page narrative on the social, environmental and economic impacts and the importance of the project to the community. Include substantiated facts and benefits, such as local employment rate, per capita income and fossil fuel impacts with and without the project. Include letters of support from community leaders demonstrating on-going community collaboration, where appropriate, in the appendix. Forest Service regions shall use this information to help evaluate regional impacts, particularly impact of job creation and retention as appropriate at the geographic scale for the region and how this grant award provides for the overall general welfare of the region.

(7) Appendices.

The following information shall be included in the appendices and scanned into a single PDF file:

- a. Comprehensive Feasibility Assessment.
- b. Woody Biomass Resource Supply Assessment.
- c. Quotes for Professional Engineering Services considered (minimum of two quotes):
Rationale for selection of engineering firm, if already selected.
- d. Letters of Support from Partners, Individuals, or Organizations: Letters of support shall be included in an appendix and are intended to display the degree of collaboration occurring between the different entities engaged in the project. These letters shall include partner commitments of cash or in-kind services from all those listed in the SF 424 and SF 424A. Each letter of support is limited to one page in length.
- e. Federal Funds: List all other Federal funds received for this project within the last three years. List agency, program name, and dollar amount.
- f. Miscellaneous, such as schematics.
- g. Last three years of financial statements (balance sheets, income statements, cash flow analysis).

h. Administrative Forms: SF 424, SF 424A, SF 424B and AD 1047, 1048, 1049 and certificate regarding lobbying activities are standard forms that shall be included in the application. These forms can be accessed at www.fpl.fs.fed.us/tmu under 2013 Woody Biomass Grant Program.

_____	November 2, 2012
Victoria Christiansen	(Date)
Acting Associate Deputy Chief	

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